

1990, 104 Stat. 4043; Pub. L. 103-354, title II, § 235(a)(11), Oct. 13, 1994, 108 Stat. 3221.)

#### AMENDMENTS

1994—Subsec. (a)(1). Pub. L. 103-354 substituted “Secretary” for “Administrator of the Rural Electrification Administration”.

1990—Subsec. (a)(2). Pub. L. 101-624 substituted “section 945(b)(1)(A) of this title” for “section 945(b) of this title”.

1976—Subsec. (a). Pub. L. 94-273 substituted “September” for “June”.

#### EFFECTIVE DATE

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

### § 950a. Liquidation or dissolution of telephone bank

In the case of liquidation or dissolution of the telephone bank, after the payment or retirement, as the case may be, first, of all liabilities; second, of all class A stock at par; third, of all class B stock at par; fourth, of all class C stock at par; then any surpluses and contingency reserves existing on the effective date of liquidation or dissolution of the telephone bank shall be paid to the holders of class A and class B stock issued and outstanding before the effective date of such liquidation or dissolution, pro rata.

(May 20, 1936, ch. 432, title IV, § 411, as added Pub. L. 92-12, § 2, May 7, 1971, 85 Stat. 37.)

#### EFFECTIVE DATE

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

### § 950b. Borrower net worth

Except as provided in subsection (b)(2) of section 948 of this title, notwithstanding any other provision of law, a loan shall not be made under section 922 of this title to any borrower which during the immediately preceding year had a net worth in excess of 20 per centum of its assets unless the Secretary finds that the borrower cannot obtain such a loan from the telephone bank or from other reliable sources at reasonable rates of interest and terms and conditions.

(May 20, 1936, ch. 432, title IV, § 412, as added Pub. L. 92-12, § 2, May 7, 1971, 85 Stat. 37; amended Pub. L. 103-354, title II, § 235(a)(13), Oct. 13, 1994, 108 Stat. 3221.)

#### AMENDMENTS

1994—Pub. L. 103-354 substituted “Secretary” for “Administrator”.

#### EFFECTIVE DATE

Section effective May 7, 1971, see section 7 of Pub. L. 92-12, set out as a note under section 921a of this title.

## SUBCHAPTER V—RURAL ECONOMIC DEVELOPMENT

### § 950aa. Additional powers and duties

The Secretary shall—

(1) provide advice and guidance to electric borrowers under this chapter concerning the effective and prudent use by such borrowers of the investment authority under section 940b of this title to promote rural development;

(2) provide technical advice, troubleshooting, and guidance concerning the operation of programs or systems that receive assistance under this chapter;

(3) establish and administer various pilot projects through electric and telephone borrowers that the Secretary determines are useful or necessary, and recommend specific rural development projects for rural areas;

(4) act as an information clearinghouse and conduit to provide information to electric and telephone borrowers under this chapter concerning useful and effective rural development efforts that such borrowers may wish to apply in their areas of operation and concerning State, regional, or local plans for long-term rural economic development;

(5) provide information to electric and telephone borrowers under this chapter concerning the eligibility of such borrowers to apply for financial assistance, loans, or grants from other Federal agencies and non-Federal sources to enable such borrowers to expand their rural development efforts; and

(6) promote local partnerships and other coordination between borrowers under this chapter and community organizations, States, counties, or other entities, to improve rural development.

(May 20, 1936, ch. 432, title V, § 501, as added Pub. L. 101-624, title XXIII, § 2345, Nov. 28, 1990, 104 Stat. 4029; amended Pub. L. 102-237, title VII, § 703(c), Dec. 13, 1991, 105 Stat. 1881; Pub. L. 103-354, title II, § 235(a)(12), (13), Oct. 13, 1994, 108 Stat. 3221; Pub. L. 104-127, title VII, § 781(b), Apr. 4, 1996, 110 Stat. 1151.)

#### AMENDMENTS

1996—Par. (7). Pub. L. 104-127 struck out par. (7) which read as follows: “administer a Rural Business Incubator Fund (as established under section 950aa-1 of this title) that shall provide technical assistance, advice, loans, or capital to business incubator programs or for the creation or operation of small business incubators in rural areas.”

1994—Pub. L. 103-354 struck out “of REA Administrator” at end of section catchline and substituted “Secretary” for “Administrator” in introductory provisions and par. (3).

1991—Pars. (6) to (8). Pub. L. 102-237 inserted “and” at end of par. (6), redesignated par. (8) as (7), and struck out former par. (7) which read as follows: “review the advice and recommendations of the Rural Educational Opportunities Board as established under section 601(f); and”.

#### EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-237 effective as if included in the provision of the Food, Agriculture, Conservation, and Trade Act of 1990, Pub. L. 101-624, to which the amendment relates, see section 1101(b)(8) of Pub. L. 102-237, set out as a note under section 1421 of this title.

### § 950aa-1. Repealed. Pub. L. 104-127, title VII, § 781(a), Apr. 4, 1996, 110 Stat. 1151

Section, act May 20, 1936, ch. 432, title V, § 502, as added Nov. 28, 1990, Pub. L. 101-624, title XXIII, § 2345, 104 Stat. 4030; amended Dec. 13, 1991, Pub. L. 102-237, title VII, § 703(d), 105 Stat. 1881; Oct. 13, 1994, Pub. L. 103-354, title II, § 235(a)(13), 108 Stat. 3221, provided for establishment of Rural Business Incubator Fund.

SUBCHAPTER VI—RURAL BROADBAND  
ACCESS

**§ 950bb. Access to broadband telecommunications services in rural areas**

**(a) Purpose**

The purpose of this section is to provide loans and loan guarantees to provide funds for the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service in eligible rural communities.

**(b) Definitions**

In this section:

**(1) Broadband service**

The term “broadband service” means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, and video.

**(2) Eligible rural community**

The term “eligible rural community” means any area of the United States that is not contained in an incorporated city or town with a population in excess of 20,000 inhabitants.

**(c) Loans and loan guarantees**

**(1) In general**

The Secretary shall make or guarantee loans to eligible entities described in subsection (d) of this section to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

**(2) Priority**

In making or guaranteeing loans under paragraph (1), the Secretary shall give priority to eligible rural communities in which broadband service is not available to residential customers.

**(d) Eligible entities**

**(1) In general**

To be eligible to obtain a loan or loan guarantee under this section, an entity shall—

(A) have the ability to furnish, improve, or extend a broadband service to an eligible rural community; and

(B) submit to the Secretary a proposal for a project that meets the requirements of this section.

**(2) State and local governments**

A State or local government (including any agency, subdivision, or instrumentality thereof (including consortia thereof)) shall be eligible for a loan or loan guarantee under this section to provide broadband services to an eligible rural community only if, not later than 90 days after the Administrator has promulgated regulations to carry out this section, no other eligible entity is already offering, or has committed to offer, broadband services to the eligible rural community.

**(3) Subscriber lines**

An entity shall not be eligible to obtain a loan or loan guarantee under this section if

the entity serves more than 2 percent of the telephone subscriber lines installed in the aggregate in the United States.

**(e) Broadband service**

The Secretary shall, from time to time as advances in technology warrant, review and recommend modifications of rate-of-data transmission criteria for purposes of the identification of broadband service technologies under subsection (b)(1) of this section.

**(f) Technological neutrality**

For purposes of determining whether or not to make a loan or loan guarantee for a project under this section, the Secretary shall use criteria that are technologically neutral.

**(g) Terms and conditions for loans and loan guarantees**

Notwithstanding any other provision of law, a loan or loan guarantee under subsection (c) of this section shall—

(1) bear interest at an annual rate of, as determined by the Secretary—

(A) in the case of a direct loan—

(i) the cost of borrowing to the Department of the Treasury for obligations of comparable maturity; or

(ii) 4 percent; and

(B) in the case of a guaranteed loan, the current applicable market rate for a loan of comparable maturity; and

(2) have a term not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.

**(h) Use of loan proceeds to refinance loans for deployment of broadband service**

Notwithstanding any other provision of this chapter, the proceeds of any loan made or guaranteed by the Secretary under this chapter may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications loan made under this chapter if the use of the proceeds for that purpose will further the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

**(i) Reports**

Not later than 1 year after May 13, 2002, and biennially thereafter, the Administrator shall submit to Congress a report that—

(1) describes how the Administrator determines under subsection (a)(1) of this section that a service enables a subscriber to originate and receive high-quality voice, data, graphics, and video; and

(2) provides a detailed list of services that have been granted assistance under this section.

**(j) Funding**

**(1) In general**

Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

(A) \$20,000,000 for each of fiscal years 2002 through 2005, to remain available until expended; and